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A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

# Journal

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## **How you can get involved**

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### **NRDC declares BPA cleanest utility in the nation**

In a report issued on Sept. 17 in San Francisco, the National Resources Defense Council declared BPA the cleanest utility in the United States. The environmental organization's report ranks the nation's major power suppliers by how much pollution they create. Specifically, the ratings are based on emissions of carbon dioxide per dollar of operating revenue. BPA, which has no fossil fuel power, ranks number one — the cleanest of the 61 U.S. power suppliers that have revenues over \$1 billion. The report indicates future financial risks utilities may face as a result of potential emission control legislation. The NRDC report states that high emitters have more than 100 times the vulnerability to future environmental costs than do low emitters. Most of the power marketed by BPA is generated from federal hydro plants located throughout the Columbia River basin. These plants produce no greenhouse gas emissions nor do they deposit any waste or pollutants into the water.

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### **Congress says BPA can continue to offer VSIs**

A U.S. Senate and House of Representatives conference committee agreed to include language in the 1997 Energy and Water Appropriations Bill that allows BPA to continue to offer voluntary separation incentives to employees of up to \$25,000 through Sept. 30, 2000. BPA earlier announced plans to reduce staff by 500 BPA employees and 400 contractors over the next three years. The conference committee also agreed to limit BPA's borrowing authority for energy services to \$10 million. BPA had requested \$20 million. Only \$3 million of the \$10 million budget will be available until the conclusion of the Comprehensive Review of the Northwest Energy System. The review is addressing the issue of energy services.

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### **BPA and Supply System refinance bonds**

BPA and the Washington Public Power Supply System completed two bond refinancings in September. Close to \$631 million of Washington Nuclear Plants 1, 2 and 3 bonds were issued at an average interest rate of 5.72 percent. BPA backs the bonds. The refinancing will save \$1 million a year in debt service payments from 1997 through 2001. The savings will increase to \$4.8 million annually from 2002 through 2012. The refinancing was structured to meet BPA rate case targets and to get maximum savings after 2001. In the first refinancing, \$389 million in bonds were sold. BPA and the Supply System worked together to take advantage of a favorable financial market and only three days later, an additional \$241 million in bonds were sold. Sixteen new investors, including major banks and insurance companies, purchased some of the bonds in these two refinancings. AMBAC Indemnity Corp., a major bond insurer, insured a portion of the bonds. This is the first time AMBAC has insured Supply System bonds since the default of the WNP-4 and 5 bonds in the early 1980s. BPA did not back the WNP-4 and 5 bonds.

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### **Customers should expect estimated bills**

Some BPA customers will receive estimated bills each month for the first few months of the new rate period that begins Oct. 1, 1996. BPA's billing is now more complex because of new products and services, new rates, late signing of contracts and separation of BPA's power and transmission business lines. BPA is modifying its billing system to accommodate these changes.

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### **WSCC releases report on power outage**

The Western Systems Coordinating Council issued a preliminary report on the Aug. 10 power outage in the West. The report finds that, while loss of the BPA Allston-Keeler 500-kilovolt power line initiated the power outage, the unexpected loss of all generating units at McNary Dam triggered growing oscillations that eventually disconnected the three alternating-current lines of the California-Oregon Intertie. McNary is near the northern end of the intertie and helps support its voltage. Overall, according to the preliminary report, BPA operators unknowingly operated the system in violation of the WSCC's minimum operating reliability criteria. Inadequate tree trimming, operating studies and instructions to dispatchers were also factors.

BPA takes the report very seriously and is taking steps to meet or exceed expected standards of reliability by implementing all the WSCC recommendations related to the agency. Since Aug. 10, BPA ramped up vegetative management by cutting more than 2,700 trees close to transmission lines and removed brush from more than 1,200 acres (486 hectares). Crews have patrolled by foot and by air 2,280 miles (3,669 kilometers) of transmission lines. Over the last two years, BPA had increased money spent on managing vegetation under power lines from \$2.5 million to \$3 million per year. BPA plans to increase the budget by another \$1.5 million per year. BPA also intends to convene a blue ribbon panel of industry experts for a comprehensive reexamination of all aspects relating to voltage support on the transmission grid.

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### **Fish MOA signed by top officials**

The administration's secretaries of Energy, Commerce, Interior and the Army recently signed a fish and wildlife memorandum of agreement intended to stabilize BPA's fish and wildlife obligations over the next six years. The agreement provides \$252 million per year for direct programs, reimbursables and capital projects and also includes the cost of operating the Federal Columbia River Power System to meet Endangered Species Act objectives. Additionally, a fish cost contingency fund of about \$325 million will be available if poor water conditions exist or if additional court-ordered ESA obligations increase BPA's fish and wildlife costs. Up to \$15 million a year from the contingency fund can be used by the region for natural disasters when they are declared by the president or for fishery emergencies that are jointly declared by the secretaries of Commerce and Interior. The memorandum of agreement was negotiated between BPA, U.S. Army Corps of Engineers, Bureau of Reclamation, U.S. Fish and Wildlife Service and National Marine Fisheries Service in consultation with the Northwest Power Planning Council and the Columbia Basin Tribes.

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### **FERC delays standards of conduct compliance**

The Federal Energy Regulatory Commission has extended the filing date for the Standards of Conduct from Nov. 1, 1996 to Jan. 3, 1997. The Standards of Conduct require public utilities to separate their wholesale power marketing function from their transmission system operation and reliability function. Last month's Journal incorrectly reported that BPA had filed procedures for implementing the Standards of Conduct with FERC. BPA has not yet filed procedures but intends to do so before the Jan. 3 deadline. BPA decided to comply with the FERC Standards of Conduct, even though BPA is not defined by FERC as a public utility and is not required to comply.

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### **Comprehensive Review's draft plan available**

The steering committee of the [Comprehensive Review](#) of the Northwest Energy System issued a draft plan for the future of the Northwest energy system. Highlights of the draft include offering both long-term (30-year) and short-term (five-year) subscriptions for federal power to regional customers first and then to non-regional entities. Sixty percent of the federal power would be reserved for long-term subscriptions. The draft plan asks that 3 percent of revenues from electricity, estimated to be \$210 million annually, be dedicated to cost-effective conservation, renewable resources development and low-income weatherization. At the retail level, the plan recommends open access to electricity suppliers for all retail customers by 2001. Other recommendations include establishing an independent grid operator and legally separating BPA into two organizations — power marketing and transmission. Public workshops and hearings will be held around the region to discuss the draft plan. The draft plan is available on the Internet at <http://www.newsdata.com/enernet/review/documents/drfrpt.html> or by calling the Northwest Power Planning Council at 1-800-222-3355. (See [status report](#) or [calendar of events](#).)

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### **BPA sponsors Kids in the Creek**

BPA recently sponsored Kids in the Creek, an educational program, at the Wenatchee River Salmon Festival near Leavenworth, Wash. Kids in the Creek was designed by BPA to provide elementary school students with an opportunity to assess the long-term health of a stream by identifying the aquatic animals and insects inhabiting the stream. Students learn the importance of a healthy watershed and the effects of a vibrant forest and riparian area on the water quality of the stream as well as the entire ecosystem. BPA sponsors the Kids in the Creek program throughout the region in partnership with other federal and state agencies, utility customers and Tribes. At the Wenatchee River Salmon Festival, BPA worked with the Bureau of Reclamation, the U.S. Fish and Wildlife Service and the Colville and Yakama Tribes. Earlier this year, BPA partnered with the Coeur d'Alene Tribe at Water Awareness Week in Northern Idaho. In early October, BPA will conduct the Kids in the Creek program at the Lake Roosevelt Water Festival in northeastern Washington in partnership with the Washington Department of Fish and Wildlife and the Spokane and Colville Tribes.

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## **Public Involvement**

**Status reports**

**Albeni Falls Wildlife Management Plan/EA.** The final EA will be available by early October. Call to request a copy.

**Anderson Ranch Wildlife Management Plan/EA.** The preliminary EA will be available in early November. Call to get on the mail list.

**Billy Shaw Dam and Reservoir Resident Fish Project EA.** The EA/FONSI will be available in late October. Call to request a copy.

**BPA/PGE Transmission Support Project.** The preliminary EA will be available in October. Call for a copy.

**Columbia Gorge Project Vegetation Management.** An EA/ FONSI is available. Call to request a copy.

**[Comprehensive Review](#) of the Northwest Energy System (Regional Review).** See [Calendar of Events](#). For further information, please call the Northwest Power Planning Council's Public Affairs office at 1-800-222-3355 or E-mail comments to [comments@nwppc.org](mailto:comments@nwppc.org). Visit the Comprehensive Review Home Page at <http://www.newsdata.com/enernet/review/review.html>.

**Excess Federal Power StatuteX Implementation Process.** The ROD is now available. Call for a copy.

**Four Mile Hill Geothermal Project EIS (Glass Mountain).** The draft EIS is being prepared. Call to be added to the mail list.

**Grande Ronde River Spring Chinook Project.** The draft EA is being prepared. Please call to be added to the mail list.

**Hood River Fisheries Project.** A ROD is expected in mid-October. Call for a copy.

**Kootenai River White Sturgeon Aquaculture Project.** A preliminary EA is expected in early November. Call to be added to the mail list.

**Methow Valley Irrigation District EA.** An EA is being prepared on a proposal to convert the open canal irrigation system to pressurized pipe and wells. Call to be added to the mailing list.

**Nez Perce Tribal Hatchery EIS.** The FYI summarizing comments on the DEIS will be available in late October. Call to reserve a copy.

**Northwest Regional Power Facility.** The final EIS (#2887) is available. Call to get a copy.

**Oliver Delivery Project.** An FYI summarizing scoping comments will be available in October. Call to get a copy.

**Sale of Facilities Policy.** BPA's rates settlement in April 1996 led to the creation of a more formal transmission policy. The draft policy is now available. Please call for a copy.

**Watershed Management Program EIS.** An FYI summarizing scoping comments will be available in

October. Call for a copy.

**Wildlife Mitigation Program EIS.** Anticipate the final EIS in November. Call to get on the mail list. See [Close of Comment](#).

**Yakima River Basin Water Enhancement Project Programmatic EIS.** The Bureau of Reclamation has the lead on this project. BPA is a cooperating agency. A draft EIS is expected in December. Call Roberta Ries at (509) 575-5848 ext. 265 to be added to the mail list.

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### [Calendar of Events](#)

Regional Review: **Oct. 31**, TBA, Red Lion Lloyd Center, Portland, Ore. Regional Review Public Workshops/Hearings:

- **Oct. 9**, EWEB, Eugene, Ore.
- **Oct. 15**, TRAC, Pasco, Wash.
- **Oct. 16**, Hall of Mirrors, Boise, Idaho
- **Oct. 17**, 10 am - 4 pm., Red Lion Lloyd Center, Portland, Ore.
- **Oct. 21**, Bonneville County Bldg., Idaho Falls, Idaho **Oct. 22**, Red Lion, Wenatchee, Wash. **Oct. 23**, State Office Bldg., Portland, Ore.
- **Nov. 6**, Village Red Lion, Missoula, Mont.
- **Nov. 12**, Seattle Center, Seattle, Wash.
- **Nov. 13**, Red Lion, Spokane, Wash.

All except the Portland meeting on Oct. 17 will be held from 5 - 9 pm. For details, contact the NWPPC at 1-800-222-3355.

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### Close of Comment

Wildlife Mitigation Program Draft EIS: **Oct. 1**

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### Acronyms:

EA: Environmental Assessment

EIS: Environmental Impact Statement

FONSI: Finding of No Significant Impact

NOI: Notice of Intent

ROD: Record of Decision

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Visit the BPA home page at <http://www.bpa.gov>.

The *Journal* is available on the Internet at <http://www.bpa.gov/Corporate/KC/home/journal/>.

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We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box

3621, Portland, OR 97208-3621 or [enballa@bpa.gov](mailto:enballa@bpa.gov).

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**For More Information or To Get Involved:**

The *Journal* is a monthly newsletter of the Bonneville Power Administration for customers and interested publics.

**To order documents or to subscribe to a "hard copy" version of the *Journal*:** call 800-622-4520 or 230-3478 (Portland) or [click here](#).

**For questions/comments:** call 230-3478 (Portland) or 800-622-4519, or E-mail to [comment@bpa.gov](mailto:comment@bpa.gov). Address comments to: P.O. Box 12999, Portland, OR 97212.

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